



Town of Rowe  
**Board of Selectmen** Minutes  
Monday, January 25, 2021 –6:00 p.m.  
VIA TELECONFERENCE

Meetings normally held at the Municipal Offices are being held remotely, with adequate, alternative means of public access and, where required, public participation provided, in accordance with the Governor's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, M.G.L. c.30A § 20.

**Board of Selectmen:** Chair Charles Sokol, Vice-Chair Joanne Semanie  
**Absent** Selectman Ed Silva  
**Audience:** Rowe Finance Committee: Chair Wayne Zavotka, Vice-Chair Loretta Dionne (left at 8:25), Christopher "Selmi" Hyytinen, Paul McLatchy III, Laurie Pike (left at 7:00)

**Call to Order:** Chair Sokol called the meeting to order at 6:00 P.M.

**Roll Call Vote: Chair Sokol- yes Vice-Chair Semanie- yes (Vote: 2-0-0)**

Noteworthy Announcements (as needed): None

**Meeting Purpose:** This meeting was called by Chair Zavotka to devote adequate time to the discussion of how employee benefits should be presented in the budget at town meeting. All following topics are part of the overall benefit discussion.

**Benefits Overview:** Currently one line covers all employees and retirees. The Selectmen would like to see this broken down and made part of departmental budgets. The Finance Committee will make the final decision as they submit the budget lines to town meeting. Chair Zavotka stated that he wanted this process to be objective and free of emotion.

Prior to the meeting, documents were sent out by administrative staff on behalf of the Selectmen that included information about why this was being proposed, the benefits/downsides, and what the actual costs were by department. Chair Zavotka came up with a list of questions/topics to discuss in response (both sets of documents attached), and it was agreed to take it point by point during discussion.

Chair Sokol began by referring to the write-ups, which he said explains a lot of the information. There is a cost for employees beyond their wages, sometimes close to or equal to their wages. Operating costs in budgets typically cover wages, but do not include any of the benefits. Some of the costs are therefore elsewhere in the budget. This has been a concern raised by citizens at town meeting. He said that it will be the responsibility of the Finance Committee to weigh the benefits

and drawbacks to splitting it up. Ultimately there is no change to the bottom line but provides transparency.

The two boards walked through the spreadsheet that detailed departmental budgets, the cost for benefits, and what portion of the budget this “hidden” portion represents. Selectman Semanie pointed out that the cost for benefits is often dismissed by departments as it’s not in their budget.

It was clarified before substantive discussion that no matter which option or options were chosen (to keep budgeting benefits the same way, break it up, etc.) there would be no change to the type of benefits, how much the town pays for benefits, or who is eligible.

**Purpose:** The Selectmen explained that the reason why they would like to see this change made is two-fold: to increase transparency and to require departments to take these extra costs into consideration when making staffing choices. They argued that by breaking it out by department, it’s giving voters a more accurate cost to run each department. Also, by shifting the cost to departments, they are more likely to take the benefit costs into consideration when adding a new position or increasing hours for an existing employee.

A question was raised about whether this could cause hiring discrimination- i.e., intentionally hiring a single person to avoid paying for a family plan. Vice-Chair Dionne said she hoped that this wouldn’t be taken into consideration when selecting employees. Mr. McLatchy said that he hoped it wouldn’t occur, but didn’t think that how it’s budgeted would affect the hiring process and that if discrimination *were* to occur, it would happen regardless.

Chair Zavotka asked how the current budget amount is determined. As of now, it’s based on the expected costs for the coming fiscal year and an additional two “full” plans (highest cost plans in health, dental, and life).

**Shift vs. Show:** Chair Zavotka questioned whether this would be a shift of moneys to departmental budgets, or just an informational campaign. He felt that if it’s just informational, a white paper detailing this information could be presented to the public rather than changing budgets. It was then asked whether the public should be seeing this breakdown of information, which Selectman Semanie felt strongly in favor of. Mr. Hyytinen agreed, saying it was a great idea to break this out. Vice-Chair Dionne also felt detailing this information was important.

**Retirement Costs:** Mr. Hyytinen asked whether this should be done about other employee benefits, such as the regional retirement assessment. Mr. McLatchy answered that it was a fair question, but the numbers could not be broken down as easily as insurances. For example, an employee hired in 2020 would not have any charges until FY23, based on 2020 calendar year wages, at a certain percent determined by the regional retirement system that will increase for a certain number of years. This may be researched in the future.

**Wage/Benefit Packages:** All members of both committees agreed that it wasn’t just important for department heads to have this information, but the employees themselves. Perhaps a letter detailing the total wage/benefit packages are for each employee might help to educate people about the costs of benefits.

**Departure:** Ms. Pike left the meeting at 7:00.

**Unexpected Changes:** Mr. McLatchy said one thing that needs to be figured out is how to handle mid-year cost changes, such as when a new employee is hired or if someone experiences a qualifying event (marriage, birth of a child, etc.). Currently there are two “cushions” budgeted into the overall budget line for benefits to help absorb any cost overages. How would this be handled if broken out into departments? Two suggestions were proposed by the Selectmen that included upping the reserve fund to be able to cover unexpected costs, or to continue spending out of the line and replenish using a transfer at the end of the year.

**School Budget:** While all other departments would be bound by line item, the school’s budget is not. It was suggested that perhaps the school might be able to benefit by having this line in their budget. If, for example, money was budgeted for a new teacher, but they elected not to enroll in benefits, that excess amount of money could be spent elsewhere. Chairman Zavotka expressed his understanding that such an action could not be done legally. However, this will need to be confirmed.

**Impact on Budgets:** The Selectmen indicated that this would have no negative effect on departmental budgets as the funds would not have to come from their existing lines. Mr. McLatchy said that he would not support this if departments were required to absorb future increases into their budget, and that the benefits line should not be considered part of the typical 2.5% increase limit.

**“Attack” on Departments:** Once concern brought up by the Selectmen was that this could be seen as an “attack” on the two largest departments- the school and retiree benefits. These two departments make up approximately 68% of the total budgeted amount. Chair Zavotka wanted to be cautious about potentially reopening a discussion on whether the town should have a school or not, as this seems to be a topic that has been settled for the time being.

**Privacy:** Chair Zavotka echoed the point written by the Selectmen that in smaller departments there may only be one benefited position. Therefore, the amount budgeted would be clear for an identifiable employee versus mixed in with other employees. This information is not legally confidential, but a broader discussion about whether this was a good idea or not ensued. Some felt that the public may “target” individual employees, while others opined that it’s all public record anyway, so there was no issue with releasing the information.

**Maximum Liability:** A portion of the “hidden costs” spreadsheet included a theoretical maximum that each department could be responsible for based on the number of employees. Conversation followed about whether the budgeted amount should be for the maximum liability or by using expected costs. Chair Sokol supported the maximum liability as it assigns it to a position rather than a person (and would eliminate the identifiable costs for a particular employee), but was opposed by Selectman Semanie and Mr. McLatchy, who supported using expected costs. The town budgeted \$634,000 in FY21, which included two “cushions”, whereas the total maximum cost would be closer to \$681,000.

**Appearance of Increase:** Chair Sokol asked about whether this could cause problems as departments would appear to have large increases over their FY21 budgets. Mr. McLatchy felt that as long as adequate information was provided, the increases shouldn’t be controversial. He said that budget information is sent to all voters showing them year-to-year changes and an explanation could follow detailing the

reasons for larger-than-expected changes. Members agreed that, in general, more information was better.

**Administrative Work:** Chair Zavotka reported that he had spoken with the town treasurer and town accountant regarding what work would be required to implement this change. He said that the treasurer informed him it would be substantially more work, and the accountant had concerns about identifying individual employees. However, he did note both employees said they would do whatever the town decided.

Mr. McLatchy replied that he had had a conversation with the two individuals with different answers. In his conversation with the treasurer, she said that there would be additional work, but it would be minimal. The accountant had told Mr. McLatchy and Selectman Semanie that it would only require setting up a few more accounts. Mr. McLatchy is the assistant treasurer and handles the current bills, and said the work would be minimal and likely a one-time change to reformat the bill schedules. This was supported by Selectman Semanie, who is a former treasurer.

**Multi-Departmental Employees:** Another question that the Selectmen posed was how to split the costs of employees that work for multiple departments. Three options were proposed: the department that the employee works for the most takes the full responsibility, the costs are evenly split between the departments based on hours worked, or the department that pushed an employee into full-time status would take the full cost. It was reported that of the three multi-departmental employees, two of them were full-time employees through one of their jobs (i.e. one job is already 20+ hours). Only one employee was benefitted solely due to holding multiple positions.

**Shift vs. Show, Revisited:** The topic of whether this would be an informational change or an actual budget change was revisited. Mr. McLatchy argued that if the goal is to show information, then a white paper would suffice detailing this information. If the hope was to also effect departmental thinking in employment practices, then in his opinion the costs would need to be shifted to the department itself. While no determination was made about the intent, this logic seemed to be supported by other members.

**New Policies:** Chair Zavotka would like to see a few new policies or guidelines in place to help mitigate some of the problems that have been observed with benefits and hiring:

- No new positions will be created mid-year.
- All new positions that are proposed must also include the potential benefit costs for that position, not just the salary/wages.
- All new positions over 20 hours per week must be approved by the Selectmen and/or Finance Committee prior to hiring.

These suggestions were well-received by other members.

**Town Report:** Members discussed the merits of reporting information that could potentially be identified to one person. It was suggested that perhaps Rowe should do what many other towns do and include a list of all employees in the town and how much they were paid in the annual town report. Perhaps benefit costs could even be included. While some expressed concern over whether this could cause some problems in the community, others argued that it's public record and promoted transparency.

**Request:** Realizing that the Committee was not ready to make a decision tonight, Chair Zavotka asked if the Selectmen could put together some additional information and present it at another meeting specifically for this topic:

1. What the budget would look like if no changes were made from current practices.
2. What the budget would look like if costs were split by department, including a mechanism to cover unexpected changes (i.e. a cushion).
3. What the budget would look like if this information was made public during the budgeting process and at town meeting, but still left as a single line item.

The Selectmen agreed to compile this information and bring it back to a future meeting. They will also reach out to legal to figure out what authority this may give departments and whether the school would be bound to pay the benefits if given the extra amount of money.

**Departure:** Vice-Chair Dionne left the meeting at 8:25.

**Next Meeting:** The two committees will meet jointly on Thursday, January 28<sup>th</sup> at 6:00 PM to continue the budget hearings. Hearings will be held each Thursday after that through February. An additional meeting to discuss the benefits budget will be scheduled.

**Future Meeting(s):**

Following discussion, it was agreed to attend the Tuesday, January 12, 2021 meeting with the Finance Committee at 6:00 p.m. Selectman Silva indicated he would be away for the meetings of the 21<sup>st</sup> and 28<sup>th</sup>.

**Adjournment:**

**MOTION TO ADJOURN: Chair Sokol made a motion to adjourn the meeting at 8:27 p.m.**  
**The motion was seconded by Vice-Chair Semanie**

**Roll Call Vote: Chair Sokol- yes Vice-Chair Semanie- yes (Vote: 2-0-0)**

Respectfully Submitted,  
Janice Boudreau, Executive Secretary

Approval Date: *FEBRUARY 4, 2021*

Approved:

  
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Chuck Sokol, Chair

  
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Joanne Semanie, Vice-Chair

**Documents:**

1. Agenda December 10, 2020 Agenda
2. Benefit Costs by Department
3. Benefit "Hidden" Costs
4. Benefit Q&A
5. Wayne Zavotka Responses